



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 1936 (1951)

May 30, 1989

SUBJECT: New Mortgages Required by FmHA Instruction 1951-S
Concerning the Write-Down of Farmer Programs Loans

TO: State Directors, District Directors and
County Supervisors

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to clarify that Farmers Home Administration (FmHA) should take a new mortgage/Deed of Trust describing the Shared Appreciation Agreement, or Net Recovery Buyout Recapture Agreement whenever debts are written down or a borrower buys out at net recovery value. You recently received a telefax opinion from the National Office on this subject. The intended outcome of this AN is to ensure that FmHA properly perfects a lien to secure the Shared Appreciation Agreement or the Net Recovery Buyout Recapture Agreement.

COMPARISON WITH PREVIOUS ANs:

There is no previous AN on this subject.

IMPLEMENTATION RESPONSIBILITIES:

You should consult with your Regional Attorney, Office of the General Counsel (OGC) and obtain the appropriate language to use to describe the Agreements in your mortgage or deed of trust. The OGC has provided their Regional Offices with a suggested format for modifying your real estate mortgage/deed of trust forms.

EXPIRATION DATE: March 31, 1990

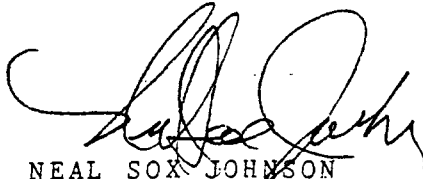
FILING INSTRUCTIONS:
Preceding FmHA
Instruction 1951-S



Farmers Home Administration is an Equal Opportunity Lender.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

1936(1951)

Where agreements have already been executed, if no new mortgage has been obtained, the borrowers will be requested to sign new mortgages or deeds of trust.



NEAL SOX JOHNSON
Acting Administrator

Sent by ASD 1:00 Pm to States: 3:00 Pm to Districts: 5:00 Pm
to Counties; May 31, 1989 by time option telemail. State
Directors will immediately distribute to Farmer Programs
Chiefs and other appropriate personnel.